



## MINUTES OF THE AIRPORT COMMITTEE February 17, 2015

### REGULAR MEETING 8:00 A.M.

**CALL TO ORDER AND WELCOME** – The regular meeting of the Airport Committee was called to order at approximately 8:01 a.m. by Chairman Henderson.

### ROLL CALL

Those present: Councilor Steve Henderson, Councilor Savino Sanchez, and Councilor Jason Perry (via telephone).

Staff present included William Zarr, City Attorney, Jennifer Brady, Airport Manager, Scott Stark, Property Manager, Walt Ramirez, Office Manager.

Guest present included Don Armstrong, Judy Armstrong, Jim Burrell, James Salas, Jeff Jackson, Larry Connelly, Dale Mullinax, Bob Donnell, Steve Wolfe, Mike Clarke, John Mulcahy, and Greg Neal.

### APPROVAL OF AGENDA

Councilor Sanchez motioned to approve the agenda with the removal of item number three, Fuego Wireless, LLC. The Chair seconded. A voice vote was unanimous and the motion passed.

**APPROVAL OF MINUTES** – Councilor Sanchez motioned to approve the regular minutes of the January 20, 2015 meeting. The Chair seconded. A voice vote was unanimous and the motion passed.

### NON-ACTION ITEMS

#### 2. Walker Aviation Museum Foundation

Mr. Don Armstrong stated the museum has occupied two suites in the terminal for the last five years and have outgrown the suites. He stated the museum would like to move out of the terminal and build a stand-alone museum in Roswell, preferably at the RIAC. Mr. Armstrong said the museum has located 2.6 acres of land about a block east of the terminal and is hoping the Airport Committee and the City Council can provide them the area of land so they may build their museum. Mr. Armstrong said they intend to build 50' X 100' foot steel building at minimum. Mr. Armstrong said they have a dilemma

because they don't have any property. He said they cannot go out and raise money or ask for donations without having property. Mr. Armstrong said they intend to raise a million dollars. He said they believe they can raise the money between 18 to 36 months. Mr. Armstrong said what they are asking the City Council and the Airport Committee for is a five year option to lease property and what they think is fair for the five year period of time is \$500 to hold the property while the museum raises the money. Mr. Armstrong said after the five years is up and they built a museum they hope to renegotiate their lease for 25 to 30 years. Councilor Perry joined the meeting by telephone. Mr. Armstrong said what the museum can do for the City of Roswell is bring more people into the City which will generate gross receipt tax. He also said the location would improve the aesthetic in that particular area and thinks it would draw people to build new businesses in that area of RIAC. Mr. Armstrong also stated once the museum is open and they have warbirds on display he believes that will draw more people to the City of Roswell and to RIAC. He said they have plans to restore an F105 they would like to put on the property in the next two years so they may display something of Air Force. Mr. Armstrong said since the museum has been open they have had probably 3,500 people come through and they intend to increase that amount by the displays they are going to put in. He said one of the key issues the museum is going to bring is education to the children and young adults of Roswell. Mr. Armstrong said they intend to bring history not only to Walker Air Force Base, but the original Roswell Army Air Field flying institution that was built during World War II will remain vibrant in the City of Roswell and in the state of New Mexico. He said their plan is to build hands on devices for training for the young people of Chaves country. Mrs. Armstrong said the museum is working with the historical preservation office to place a historical marker by the highway near RIAC.

### **REGULAR ITEMS (Action Items)**

3. Request approval of new lease to Zachary Canright, on "T" Hangar Building No. 120, Space 3 – Councilor Sanchez motioned to approve the new lease to Zachary Canright, on "T" Hangar Building No., 120, Space 3, to full council on the March 12, 2015 City Council consent agenda, for the purpose of aircraft storage and maintenance, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised that it is the hangar Mr. Brandon Arnold had. He decided to move his airplane to Hangar No. 91. Mr. Stark stated Mr. Canright was the next person on the T-Hangar waiting list. He said Mr. Canright accepted the hangar and his rent is \$169.00 per month. A voice vote was unanimous and the motion passed.

4. Request approval of new lease to Zen Sports, Inc., on office space in Terminal Building No. 1 – Councilor Sanchez motioned to approve the new lease to Zen Sports, Inc., on office space in Terminal Building No. 1, to full council on the March 12, 2015 City Council consent agenda, for the purpose of a business office, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised Mr. Mike Clarke approached staff a couple of weeks ago and said he was interested in starting a business

in Roswell. He said he needed a place with a small office and a physical address to get started. Mr. Clarke said he is CEO and president of Zen Sports, Inc. He said they manufacture various sport braces. Mr. Clarke said he will not be using the office space for an office but for a mailing address until they figure out their on-going plans in terms of space needed. A voice vote was unanimous and the motion passed.

5. Request approval of lease renewal to AerSale, Inc., on a portion of Building No. 112A and 112B – Councilor Sanchez motioned to approved the lease renewal to AerSale, Inc., on a portion of Building No. 112A and 112B, to full council on the March 12, 2015 City Council consent agenda, for the purpose of providing commercial aircraft engines and their component parts, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark said staff recommends renewal of the lease with a 2.99% increase in rent to \$2,725.00 a month. Mr. John Mulcahy said he wanted to inform the Committee and staff of a project he’s been dealing with over the past four and half months. He said a Commercial Aerospace Company is looking for a building that is 700 feet long. He believes it may have something to do with rocketry. He said he searched throughout the County to find buildings that long. Mr. Mulcahy said these two buildings combined and the one adjacent to them across the rail and Millennium are the only ones he could find. He said this one is 800 feet long. Mr. Mulcahy said their intent is to grow their business to 210,000 square feet with over 200 employees. He said it could be the largest employer on the air base. Councilor Perry asked what is the option for the AerSale, Inc., lease if there was something else the City wanted to do with the building. Mr. Stark said the lease is for five years and the City does have an out with a 90 day notice for either party. Mr. Mulcahy asked if he could look in the building before creating a situation to find out it isn’t the right building. After more discussion a voice vote was unanimous and the motion passed.

6. Request approval of lease renewal to Bellitas Cappuccino Grill, on a portion of Building No. 1, the coffee shop – Councilor Sanchez motioned to approved the lease renewal to Bellitas Cappuccino Grill, on a portion of Building No. 1, the coffee shop, to full council on the March 12, 2015 City Council consent agenda, for the purpose of operating a food service activity, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised the monthly rent went from a \$100.00 to \$150.00. He said staff kept the rent low before because it seem their business was in trouble and the service was needed. Mr. Stark said they are doing better. A voice vote was unanimous and the motion passed.

7. Request approval of lease renewal to Thurston Woods, on a portion of Building No. 1776 – Councilor Sanchez motioned to approved the lease renewal to Thurston Woods, on a portion of Building No. 1776, to full council on the March 12, 2015 City Council consent agenda, for the purpose of storage of personal items, subject to all terms and conditions of the lease. Councilor Perry seconded. Mr. Stark advised there are no

changes in the lease renewal other than a rent increase of 2.52% to \$163.00 a month. A voice vote was unanimous and the motion passed.

8. Request approval of Lease Addendum to Jon E. Hitchcock, Robert B. Corn, James Patterson, Siavash Karimian, Brandon Arnold, John Berry, and Double H Aviation – Councilor Sanchez motioned to approved the First Addendum to Lease Agreement on portions of Hangar No. 91, Space A and B, and joint use of the common area to Jon E. Hitchcock, Robert B. Corn, James Patterson, Siavash Karimian, Brandon Arnold, John Berry, and Double H Aviation, LLC, to full council on the March 12, 2015 Council consent agenda, beginning April 1, 2015 Double H Aviation, LLC, is removed from the lease. Councilor Perry seconded. Mr. Stark advised the purpose of this addendum is for the removal of Double H Aviation, LLC, from the lease. A voice vote was unanimous and the motion passed.

### **OTHER BUSINESS (NON-ACTION)**

9. Manager's Report – Ms. Brady reported the construction project is still coming along, but the weather is not helping. Ms. Brady said right now they are probably in the middle of April before completion. Ms. Brady also reported the Airport completed their FAA inspection last week and had a couple of write ups, nothing serious. Ms. Brady also reported Airport staff had a special 139 training class last Thursday and Friday. Ms. Brady said the Navy's barbecue is this Friday and will be hosted by Excel Energy. Ms. Brady said Saturday a new group is switching out and this will be last of the three groups. She said this group will go through the 14<sup>th</sup> of March. Ms. Brady said she received an email last night in regards to aircraft noise bothering some of the community. Ms. Brady said the last item to report is the Airport has received the SCASDP grant. She said the consultant who helped write the application looked over the grant and concurred that the City should sign it. Ms. Brady said the grant money can be used for our new air service.

10. Property Manager's Report Accounts Receivables – Mr. Stark reported for accounts receivables is about the same as last month's. Mr. Stark said Sprint is a little behind in their rent and he is working with them. He said he received a partial payment and is expecting more within the next week or so.

#### **11. Public Comments**

Mr. Mulcahy said he was honored to be hosted by the Salinas, Kansas Airport over the weekend. He said he met with members of their Board Authority, Director of Finance, Administration, and with the Executive Director of the Airport. Mr. Mulcahy said it is a different structure there and it is a very successful one. He said they have 4200 people working on the Air Center and it is about half the size of our Air Center. He said from the day the Air Force gave it over to the City it was a little different structure and he would like to comment on some of the parts that he was impressed with. He said one rule there is that they make money on everything. He said one thing they were doing was

agriculture between the runways. He also said they had the same environmental issues that we face and they sued the Federal Government and won. Mr. Mulcahy said they were recommending some of these things to him. He said they take no tax payer money for anything they do there. He said they do not let the hangars decay. They do their own lease hold improvements and they do not do rent abatements at all. He said they do not store anything it is not considered to be best use of those facilities and they don't have an inventory tax. He also said they have dedicated a hangar they use as a Sport Facility because it would generates more jobs. Mr. Mulcahy said it is thinking outside of the box, it is saying how can we do stuff with these hangars, keep them in the best shape possible, build our own building to suit, but always look for revenue. He said the hangar rent they had available was \$6.15 a square foot. Mr. Mulcahy said he would bring more information and stated Roswell has a heck of a facility here. He said they did not have anything like we have in terms of big hangars. He said they took every single building and built on the air base. They took advantage of their industrial zoning and turned it into a world class money making type place.

Mr. Mike Clarke commented on perhaps having Air Shows, because of the facilities here. He said it would be a big draw. He said in the Dallas area people would come from hundred miles around for both military and private shows. He said with all the airplanes parked and working in the area it would be a great opportunity for a fund raising type of event for the City and continue to build events to draw people to the area.

## **ADJOURN**

Councilor Sanchez motioned to adjourn. The Chair seconded. A voice vote was unanimous and the motion passed. The meeting adjourned at 8:48 a.m.

Submitted by Walt Ramirez